

Senate Study Bill 1077 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
HUMAN RESOURCES BILL BY
CHAIRPERSON RAGAN)

A BILL FOR

1 An Act relating to reforming state and county responsibilities
2 for adult mental health, mental retardation, and
3 developmental disabilities services and providing effective
4 dates.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. FINDINGS AND PURPOSE.

2 1. The general assembly finds that full implementation
3 of the federal Patient Protection and Affordable Care Act,
4 Pub. L. No. 111-148, in 2014 will have a significant impact
5 on services to low-income Iowans because eligibility for the
6 Medicaid program will be simplified to include individuals
7 having an income at or below 133 percent of the federal
8 poverty level. Consequently, the additional categorical
9 eligibility requirements now applicable for Medicaid program
10 eligibility, such as being a recipient of federal supplemental
11 security income (SSI) or for meeting Medicaid program waiver
12 requirements, will no longer apply. Because Medicaid is such
13 a significant funding source for Iowa's state-county mental
14 health, mental retardation, and developmental disabilities
15 system for adults, the simplified eligibility change presents
16 an opportunity to reform that system. The simplified Medicaid
17 eligibility provisions coming into force in 2014 also will
18 provide Medicaid eligibility to many adults whose services
19 costs are wholly or primarily a county responsibility.

20 2. Under current law, counties pay the nonfederal share
21 of the costs of Medicaid program services provided to address
22 the needs of eligible adults with mental illness or mental
23 retardation and some counties voluntarily pay for Medicaid
24 program service costs to address developmental disabilities
25 in addition to mental retardation. Because the increases in
26 overall funding for such services have experienced very limited
27 growth in recent years, the annual increases needed to fund the
28 county Medicaid responsibility have been reducing the funding
29 counties have available to fund other non-Medicaid services.
30 With the federal expansion in those eligible for the Medicaid
31 program, significant new funding will be needed to provide the
32 match for the new eligible adults.

33 3. It is the intent of the general assembly to incrementally
34 shift responsibility for the funding of Medicaid services for
35 adults with mental illness or mental retardation from the

1 counties to the state so that the shift is completed by 2014
2 when the new federal law takes effect.

3 4. Among adults who have a serious mental illness, the
4 incidence of those with a co-occurring disorder involving abuse
5 of alcohol or another substance is much higher than among the
6 population without such an illness. However, the availability
7 of treatment that simultaneously addresses both disorders is
8 very limited. This situation could be helped by assigning
9 responsibility for both types of treatment to one state agency
10 instead of two, as is currently the case.

11 5. a. Under current law, if an adult has serious mental
12 illness or mental retardation and does not have a means of
13 paying for services, the primary responsibility to fund and
14 make the services available is assigned to counties. Although
15 many common elements do exist among the service arrays offered
16 by counties, a basic set of services is not available in all
17 counties, waiting lists for some services are in effect in
18 some counties, the availability of community-based services in
19 some counties is very limited, and other disparities exist.
20 For example, many publicly funded services available to young
21 persons are not continued when the young persons become adults
22 because public funding of the services does not exist for
23 adults.

24 b. It is the intent of the general assembly to address
25 such disparity by shifting the responsibility for adult mental
26 illness services from the counties to the state and requiring
27 regional county administration of the services for persons with
28 mental retardation. Regions covering a general population of
29 at least 300,000 would be of sufficient size to make services
30 availability more uniform.

31 6. a. Counties are limited to levying approximately \$125
32 million in property taxes statewide for the services due to law
33 enacted in the mid-1990s. The state distributes to counties
34 approximately \$89 million to replace equivalent reductions
35 in the amount of property taxes raised for this purpose. In

1 addition, for fiscal year 2010-2011, the state will distribute
2 to counties approximately \$49 million in allowed growth funds,
3 approximately \$14 million in community services funds, and
4 approximately \$11 million to reimburse for state cases.

5 b. It is the intent of the general assembly to shift the
6 funding described in paragraph "a" and to provide additional
7 funding as necessary to accomplish the following goals:

8 (1) State assumption of Medicaid cost-share responsibility
9 currently held by counties.

10 (2) Improvement in the uniformity and availability of
11 services administered by both the state and counties.

12 (3) Provision of property tax relief through direct state
13 assumption of responsibility for costs and moving toward levy
14 uniformity.

15 c. It is the intent of the general assembly to shift \$40
16 million or more of allowed growth funding for fiscal year
17 2011-2012 for use by the state to assume an equivalent-cost
18 county responsibility for funding of Medicaid program service.

19 Sec. 2. SERVICE SYSTEM REFORM PLANNING.

20 1. The department of human services shall consult with
21 stakeholders, including counties and service consumers,
22 providers, and advocates, in proposing a schedule, funding
23 provisions, and other associated actions necessary for
24 the state to incrementally assume the responsibilities of
25 counties for payment of the nonfederal share of Medicaid
26 program services by the date in 2014 when the Medicaid
27 program enhancements under the federal Patient Protection and
28 Affordable Care Act, Pub. L. No. 111-148, take effect. The
29 department shall submit the plan, accompanied by appropriate
30 findings and recommendations, to the governor and general
31 assembly on or before December 1, 2011.

32 2. The departments of human services and public health
33 shall consult with stakeholders, including counties and service
34 consumers, providers, and advocates, in developing a plan
35 for the shifting of mental illness services responsibilities

1 between the two departments as described in this Act. The
2 target date for implementation shall be July 1, 2012. The
3 departments shall submit the plan, accompanied by appropriate
4 findings and recommendations, to the governor and general
5 assembly on or before December 1, 2011. The plan shall include
6 recommended legislation addressing statutory changes necessary
7 for implementation of the plan and of section 125.99, as
8 enacted by this Act.

9 3. The department of human services shall consult with
10 stakeholders, including counties and service consumers,
11 providers, and advocates, in proposing a schedule, funding
12 provisions, and other associated actions necessary for the
13 regional administration of adult mental retardation and
14 developmental disabilities services consistent with the
15 legislative intent stated in this Act. The target date for
16 implementation shall be July 1, 2013. The department shall
17 submit the plan, accompanied by appropriate findings and
18 recommendations, to the governor and general assembly on or
19 before December 1, 2012.

20 Sec. 3. NEW SECTION. **125.99 Mental health and substance**
21 **abuse treatment authority.**

22 1. Notwithstanding section 225C.3 or any provision of law
23 to the contrary, effective July 1, 2011, the department is
24 designated as the state's adult mental health and substance
25 abuse services authority.

26 2. The authority shall do all of the following:

27 a. Develop a mental health and substance abuse services
28 infrastructure based on a business enterprise model and
29 designed to foster collaboration among all program stakeholders
30 by focusing on quality, integrity, and consistency.

31 b. Cost-effectively expand the availability of services for
32 those with a single mental illness or substance abuse disorder
33 and those with co-occurring disorders.

34 c. Form a close, collaborative relationship with the
35 Medicaid enterprise to effectively provide those services that

1 are funded by the Medicaid program.

2 *d.* Provide leadership to align the other providers and
3 funders of mental illness and substance abuse services into
4 a coherent provider continuum of services, including but not
5 limited to all of the following services:

6 (1) County-funded transportation and other services.

7 (2) Hospital services.

8 (3) Court-ordered services.

9 (4) Services provided in connection with the justice
10 system.

11 (5) Services provided in connection with the state's
12 education systems for children and adults.

13 *e.* Identify and facilitate the development of a basic set of
14 services and other support to address the needs of adults with
15 mental illness and substance abuse problems.

16 *f.* (1) Develop a regional structure that is designed to
17 maintain county and other local investment and involvement
18 in addressing the needs of adults with mental illness and
19 substance abuse problems.

20 (2) The approaches considered in developing a delivery
21 system for meeting such needs shall include but are not limited
22 to adaptation of the physical health medical home model for
23 use in addressing mental health and substance abuse treatment
24 needs.

25 (3) The size of regions in the structure shall cover a
26 general population of at least three hundred thousand.

27 3. The recommendations, plans, implementation provisions,
28 and other actions taken by the authority and the stakeholders
29 working with the authority to implement this section shall
30 be guided by appropriate recognition of best practices,
31 departmental and service provider capacity, the diagnostic
32 criteria for the diseases and other conditions outlined in
33 the current edition of the diagnostic and statistical manual
34 of mental disorders published by the American psychiatric
35 association, and the value contributed by mental health and

1 substance abuse professionals to the well-being of the citizens
2 of this state.

3 Sec. 4. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
4 immediate importance, takes effect upon enactment.

5

EXPLANATION

6 This bill provides legislative findings, legislative
7 intent, and a planning process to reorganize state and county
8 responsibilities for provision and funding of services
9 for adults with mental illness, mental retardation, and
10 developmental disabilities.

11 New Code section 125.99 designates the department of
12 public health as the state's mental health and substance abuse
13 services authority for adults with mental illness and substance
14 abuse service needs. Under current law in Code section 225C.3,
15 the division of mental health and disability services of the
16 department of human services is designated as the state mental
17 health authority for federal purposes. Various planning and
18 implementation duties are specified for the department of
19 public health authority. A statement of guiding principles is
20 included. Another section of the bill requires the departments
21 of human services and public health to develop and submit a
22 plan for shifting responsibilities between the two departments.

23 The bill takes effect upon enactment.